

***** C O N F I D E N T I A L ***** S COPY

PRIORITY

DE WTE #4068 2130029

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FM THE SITUATION ROOM//TOHAK 74//

TO BREMER/COVEY/RODMAN FOR THE SECRETARY

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

C O N F I D E N T I A L SENSITIVE EYES ONLY

DELIVER AT OPENING OF BUSINESS WH51398

TOHAK 74

AUGUST 1, 1975

FROM: THE SITUATION ROOM

TO: SECRETARY KISSINGER

SUBJECT: CIA ESTIMATE OF SOVIET GRAIN HARVEST

KISSINGER FROM COLBY

THIS IS TO ALERT THE PRESIDENT AND YOU TO THE FACT THAT OUR ESTIMATE OF THE SOVIET GRAIN IS DROPPING TO THE POINT THAT SERIOUS ECONOMIC AND POLITICAL PROBLEMS FOR THE USSR COULD RESULT. OUR PREVIOUS ESTIMATE OF THE SOVIET GRAIN CROP WAS 185 MILLION TONS. BECAUSE OF ADDITIONAL EVIDENCE ON THE CONTINUED BAD WEATHER IN THE USSR, WE NOW EXPECT THE CROP TO BE BELOW 180 MILLION TONS. IF THE WEATHER CONTINUES TO BE UNFAVORABLE, THE CROP COULD FALL TO OR EVEN BELOW THE 1972 LEVEL OF 168 MILLION TONS.

THE DROUGHT HAS ALSO SHARPLY CURTAILED FORAGE CROPS, SO THE TOTAL SHORTFALL IN SOVIET PRODUCTION IN RELATION TO NEEDS COULD BE IN THE RANGE OF 30 TO 50 MILLION TONS. TO DATE MOSCOW HAS CONTRACTED FOR ABOUT 15 MILLION TONS OF FOREIGN GRAIN, AND NOW SEEMS VIRTUALLY CERTAIN THAT MOSCOW WILL BE BACK FOR ADDITIONAL LARGE QUANTITIES OF GRAIN. AVAILABLE GRAIN SUPPLIES, HOWEVER, ARE NOWHERE NEAR SUFFICIENT TO SATISFY ALL SOVIET NEEDS WITHOUT DRASTIC INCREASES IN WORLD PRICES.

THE USSR WILL NO DOUBT MAKE UP SOME OF THE SHORTFALL FROM ITS STOCKS BUT WILL ALSO BE FORCED TO CUT ITS CONSUMPTION OF GRAIN. IF PRODUCTION WERE AS LOW AS IN 1972, CUTS IN CONSUMPTION WOULD BE LARGE, AND THERE WOULD BE MAJOR ECONOMIC IMPLICATIONS. IN ANY EVENT THERE ARE BOUND TO BE POLITICAL REPRECUSIONS IN THE USSR, INCLUDING CRITICISM OF BREZHNEV'S PERFORMANCE IN THIS

***** WHSR COMMENT *****

MCFARLANE, RODMAN, SDO, SECLE

RECALLED

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SECTION:

IN ORDER TO AVOID PREMATURE PUBLIC EXPOSURE OF THIS
REVISED ESTIMATE WE HAVE POSTPONED TWO SCHEDULED CONGRESSIONAL
BRIEFINGS. WE HAVE ADVISED THE APPROPRIATE AUTHORITIES IN THE
EXECUTIVE BRANCH, HOWEVER, AN EARLY RELEASE COULD OCCUR THROUGH
USDA CHANNELS. E2 IMMDET, MN-SIGM.

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